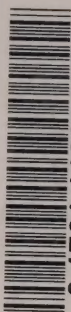


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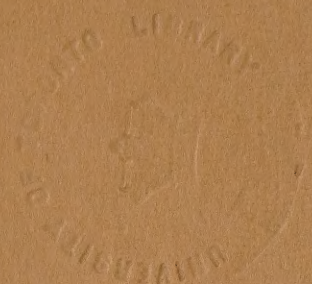
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COMPLIMENTS OF THE
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Genesis of the Power Movement

Hydro-Electric Power Commission of Ontario

HON. ADAM BECK, Chairman - - - - - LONDON
HON. JNO. S. HENDRIE, C.V.O. - - - - HAMILTON
W. K. McNAUGHT, M.P.P. - - - - - TORONTO

GENESIS *of the* POWER MOVEMENT

THE object of this brief pamphlet is to show in a concise form, the origin and growth of the demand from the people of the Province of Ontario for cheaper electrical energy, for power, light, heating and other purposes.

This Province has been handicapped industrially, owing to the fact that it possesses no coal mines within its borders. There are, of course, abundant coal deposits in the far East and far West of Canada, but the cost of transportation makes the use of this coal practically prohibitory in the Province of Ontario. We are, therefore, almost entirely dependent for our fuel supply upon the coal fields of Pennsylvania, controlled, as they are, by large and powerful corporations, who also practically own the highways over which this coal is transported. As a result, the people of this Province must always be subject to any laws which may be enacted respecting the export of coal, or strikes should they occur in their mines. For example, during the last great coal strike in the United States, both soft and hard coal increased in value to a practically prohibitory figure, and our factories were either compelled to shut down or pay a price beyond all reason. The fuel famine became so widespread that the City Council of Toronto found it necessary to vote the sum of \$50,000 of the people's money for the purpose of

supplying coal at actual cost in small quantities to the working people of that city.

The public had, however, been watching with interest the development of power on the American side of the Niagara Falls. It had been claimed that the "white coal" of the Falls could be economically transmitted to supply the needs of 1,600,000 people in the Province of Ontario, out of a total population of 2,000,000, and the trend of public opinion was that this great national heritage should be conserved in the interests of the people.

The first concrete step in line with this growing sentiment was the appointment of a Committee by the Toronto Board of Trade on the 25th of April, 1900, of which the late Mr. W. E. H. Massey was Chairman. Their investigation, naturally, had specific reference to the needs of Toronto, and in the report submitted by that Committee it is significant to note the following words: "Our hope for cheaper power is to bring the current from one of the great Niagara generating plants." "The Toronto Electric Light Company have signified their intention of bringing power from Niagara Falls, and the question arises whether or not Toronto, as a city, should control this proposed Niagara power connection. . . ."

Public opinion, however, was gradually being aroused to the necessity of preserving this vast asset for the use of the people to whom it belonged, and in the early part of 1902 this found expression in several meetings of representatives of different cities in the Province, as well as those from the Canadian Manufacturers' Association and Boards of Trade.

Up to this time two franchises had already been granted on the Canadian side of the Niagara River to private corporations, viz., the Canadian Niagara Power

Company to generate 100,000 H.P. and the Ontario Power Company to generate 180,000 H.P., and a little later one with a right to generate 125,000 H.P. was granted to Messrs. Henry M. Pellatt, Frederick Nicholls and Wm. Mackenzie, who subsequently disposed of their holdings to the "Electrical Development Company." It should be particularly noted that the last-named franchise was granted at a time when representatives of the various municipalities were meeting together and passing resolutions requesting the Government to preserve the Falls of Niagara for the people, and it should be further noted that this was a movement entirely irrespective of politics, the press of both sides, with hardly an exception, being committed to the furtherance of the people's interests.

On June 9th, 1902, a meeting of the manufacturers of mid-western Ontario was held at Berlin, at which were present representatives from Toronto, Galt, Guelph and a number of the surrounding towns, to confer respecting the best method of securing electric power for manufacturing purposes from Niagara Falls.

The chief speaker was Alderman Spence of Toronto, who suggested that the municipalities "should ask for the appointment of a Government Commission which would have the power to arrange for the transmission of electricity to the various municipalities desiring it. This Commission to issue its own bonds in payment of transmission lines, which bonds would be covered by bonds of municipalities interested. Under this scheme the Government through a Commission would undertake the transmission to the municipalities desiring power, the latter guaranteeing by their bonds the cost, and selling in turn to all manufacturers at an even rate, preventing in this way the power from falling into the hands of any

monopoly, and in this way securing to the industries of this Province advantage of cheap electrical energy."

A representative of the Ontario Power Company who was present, stated that he believed power could be delivered in the manufacturing towns of mid-west Ontario at \$17.00 per year per horse-power, and urged immediate action as the price of copper had gone down to 13 cents a pound.

A Committee was appointed to draft a practicable scheme and report to a convention of those interested at a later date.

In July, 1902, the matter was again taken up at a meeting of the municipal representatives held at Berlin, and W. B. Snyder, D. B. Detweiler and Ald. F. S. Spence were appointed a Committee to obtain information. This Committee prepared a report which was read at a meeting called at Berlin, 17th February, 1903, which was attended by about 90 municipal and manufacturing representatives. The report stated that, after discussion with the officials of the various power companies, the Committee believed that power could possibly be obtained in large quantities at a price of about \$7.00 to \$8.00 per continuous horse-power per annum, delivered at Niagara Falls, or from \$14.00 to \$15.00 per horse-power delivered to the various municipalities. The report also recommended that prompt action be taken to obtain from the Legislature powers enabling municipalities to purchase and sell power, and to co-operate, to develop and transmit or distribute electrical energy, or to buy power and to sell and distribute the same to the several municipalities.

After discussion of the report, Mayor Urquhart of Toronto submitted the following motion:

"That we respectfully suggest and urge upon the Government of Ontario the advisability of the Government building and operating, as a Government work, lines

for the transmission of electricity from Niagara Falls to the towns and cities of Ontario, or that they extend the powers of the present Niagara Falls Park Commission so that they may as a public work build and operate the necessary lines to transmit electric energy from Niagara Falls, and that for this purpose they be empowered to issue debentures which might be guaranteed by the Government, but which would be eventually paid out of the receipts from the sale of electrical energy, thus entailing no charge upon the Provincial funds, and that the municipalities here represented call their representatives in the Legislature to urge upon the Government to carry out this resolution."

This was subsequently amended by leaving out all reference to the Park Commissioners.

A motion was also passed that the Government should not part with any more power privileges to private parties.

In the month of January, 1903, the City of Toronto made application to the Legislature of Ontario for the right to generate and transmit Niagara Falls power for the uses of the city. This application was, however, refused by the Government at that time in power.

On the 27th of February, 1903, a committee waited upon the Government and were promised a measure giving the municipalities the right to transmit power from Niagara Falls and to co-operate for that purpose. In furtherance of this promise, on the 12th of June, 1903, an Act was passed by the Legislature of the Province of Ontario entitled "An Act for the construction of municipal power works and the transmission, distribution and supply of electrical and other power and energy. (3 Edward VII., Chap. 25).

This Act authorized any two or more municipalities to appoint Commissioners to examine into and report

upon the desirability of establishing works for the production of power, heat and light, the probable cost of such works, the desirability of the undertaking, and the proportion of the cost to be borne by each of the contracting municipalities. This Act also conferred upon the municipalities the power to accept the Report of the Commissioners, and to carry out the works under a Board of Commissioners to be appointed by the Chief Justice of Ontario, which Board were granted very wide powers for the acquirement or construction of works for the generation, transmission and distribution of electrical and other power and energy, and for the fixing of the rate or price which should be charged for the power in each instance. Authority was also granted for the issue of bonds for the carrying out of the works.

Acting under the powers given in the Act above recited, a meeting of the representatives of the seven municipalities chiefly interested was held in Toronto on the 12th of August, 1903; money was voted and a Commission formed, consisting of four prominent manufacturers of the Province, viz., Messrs. E. W. B. Snyder, Waterloo; Adam Beck, London; W. F. Cockshutt, Brantford; P. W. Ellis, Toronto; and Prof. Fessenden, of Washington, D.C., an Electrical Engineer of international repute. Associated with them were R. A. Ross, Electrical Expert; and Henry Holgate, Hydraulic Expert, both of Montreal. This Commission prepared a very comprehensive report of some 76 pages, giving full information upon the subject referred them, which was published under date of March 28th, 1906.

The Lieutenant-Governor having, in the meantime, chosen new advisors, the Hon. Adam Beck, who, as a member of the first Commission, had experienced and appreciated the almost insurmountable difficulties at-

tached to the grouping together of a number of municipalities for this specific purpose, took the matter up with the Government, of which he was a member, with the result that on the 5th day of July, 1905, an Hydro-Electric Power Commission of the Province of Ontario was incorporated by the Legislature (5 Edward VII, Chap. 19). This was the first definite step taken by the Government, in line with public opinion, for the preservation to the people, both present and future, of this great national heritage. The Commission was composed of the Hon. Adam Beck, Chairman; Geo. Pattinson, M.P.P., of Preston; and Mr. P. W. Ellis, of Toronto, Commissioners. Owing to ill-health, Mr. Ellis resigned and Mr. John Milne of Hamilton was appointed in his stead. Cecil B. Smith, Ma.E., acted in the capacity of Chief Engineer. The Commission made an exhaustive investigation into the water-powers of the Province, both developed and undeveloped; also the industrial requirements of the Province and electrical distribution. The scope of the investigation was very wide, and resulted in the publication of five valuable reports, as follows:

(1) THE NIAGARA DISTRICT, covering the territory between Niagara Falls and the Detroit and St. Clair rivers.

(2) THE TRENT DISTRICT, covering, roughly speaking, the territory lying north of Lake Ontario, but not including Toronto.

(3) LAKE HURON AND GEORGIAN BAY DISTRICT, covering that portion of Lake Ontario bounded on the west by Lake Huron and the Georgian Bay, and on the south-east and north by the districts covered by the Niagara and Trent reports already issued.

(4) OTTAWA VALLEY AND ST. LAWRENCE DISTRICTS, covering that portion of the Province lying east and north of the territory dealt with in the second and third reports.

(5) ALGOMA, THUNDER BAY AND RAINY RIVER DISTRICTS.

The result of the investigations of this Commission showed that the development and transmission of electrical energy from Niagara Falls was not only practical, but that it could be sold at a much lower rate than was being charged by the companies in existence at the time. Investigation also showed that private corporations, as a rule, charged just as much as the traffic would bear. For instance, a contract was entered into between the Electrical Development Company and the two large companies operating the public utilities of the City of Toronto, viz., the Toronto Electric Light Company and the Toronto Street Railway Company, for power at \$35.00 per metered H.P. per annum, or \$25.00 flat rate for 24 hour power, which seemed to render hopeless the chance of the citizens of Toronto for receiving power and light at the figure to which they were entitled, considering their close proximity to the source of this power. The people also learned through the public press and otherwise, that power was being delivered at the City of Montreal from Shawinigan Falls, Que., 10 miles further removed from that city than Niagara Falls from Toronto, for \$15.00 for 24 hour H.P. per annum, and that when all power interests passed into the control of one corporation, the citizens of Montreal were forced to pay a higher price than even the citizens of Toronto were paying for power generated from steam, and it is notable that most of the prominent manufacturers of the City of Montreal still continue to use their own steam plants. These are only two of many instances which could be cited showing that the cost of power and light was too high.

By this time also the people began to realize, that the proper solution of the question was for the Government

to take the matter up and arrange to supply the power. A deputation was appointed from the different cities and towns throughout the Province to wait upon the Government. This deputation was the largest and most influential that ever waited upon any Government in this Province on any matter of public policy. The Government carefully considered the views of the deputation, and in consequence of the strong endorsement from every part of the province, they, with the approval of the members of the Provincial Legislature on both sides of the House, appointed a second Commission in May, 1906 (6 Edward VII, Chap. 15). The Commission was composed of the Hon. Adam Beck, Chairman; Hon. John S. Hendrie, of Hamilton; and Cecil B. Smith, of Toronto; Mr. P. W. Sothman being Chief Engineer. Owing to pressure of other business, Mr. Smith resigned in May, 1907. Mr. W. K. McNaught, M.P.P., of Toronto, was appointed in his stead, and they were invested with all the powers necessary to control the rates to be charged for light and power by various companies utilizing water-powers in the Province, to build and construct all necessary works, and to take steps as would place electrical energy for power and light within reach of all the people. This Commission is working in harmony with the "Niagara Power Union," an organization composed of the representatives of the different municipalities throughout the Southern and Western parts of the Province.

In January of this year by-laws were submitted by the different municipalities throughout Western Ontario to authorize the incoming Councils to deal with the Hydro-Electric Power Commission for a supply of power and these as a rule were carried throughout the Province by the overwhelming majority of 4 to 1.

The mandate of the people was strong enough to justify the Government in constructing works at the Falls, and obtaining the power absolutely at the first cost, but in view of the fact that there were already three companies with generating plants at this point having quantities of power available for sale, the Government, not desiring in any way to interfere unfairly with the companies already generating power, followed the businesslike course of asking these companies to tender for the supply of power at a price which would amply protect their bondholders and shareholders; the Government proposing for and on behalf of the municipalities to undertake the transmission of same to the different municipalities, who in turn will undertake to distribute it to their own citizens.

At the present time the Commission has four survey parties in the field locating the various transmission lines, taking levels and obtaining data for use by the engineering staff at the head office of the Commission. In addition to this field force, the Commission have a large and well-organized staff of engineers and draughtsmen engaged in preparing designs for stations, poles, etc., etc., and obtaining estimates for the various items in connection with the construction of the transmission lines.

Thus have the present Government of the Province of Ontario, with a sincere effort to meet the public demand, brought this great question to its present advanced position, and the supplying of electrical energy to the people at minimum cost appears in a fair way to become an accomplished fact.



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